



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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**ANGELIDES APPLAUDS KEY INFLUENTIAL REPORT
SUPPORTING TYCO SHAREHOLDER RESOLUTION AGAINST EXPATRIATION**

SACRAMENTO, CA—California State Treasurer Phil Angelides today made the following comments in response to the Institutional Shareholder Services Inc. recommendation in support of a shareholder proposal urging Bermuda-based Tyco International Ltd. (Tyco) to reincorporate back in the United States:

“The ISS recommendation is an important, positive step in the shareholder fight to end the sham corporate relocations that are undermining the confidence of millions of Americans in the financial marketplace.”

“This practice of expatriation has direct, detrimental effects on shareholders,” Angelides added. “Just as important, it represents – to millions of shareholders – the type of deceptive corporate practice that has shaken the financial markets, harmed taxpayers and pensioners, and damaged our economy. Tyco is one of only a handful of U.S. corporations – out of thousands of publicly-held corporations – that has chosen to engage in this practice.”

“It is critical,” Angelides said, “that shareholders take actions to help renew investors’ confidence in the marketplace. Restoring the public’s faith in our financial system is essential to our sustained economic prosperity.”

ISS, of Rockville, Maryland, is the world's most influential provider of proxy voting and corporate governance services. ISS’s influence on such matters stems from the fact that its clients include an estimated 750 institutional investors throughout North America and Europe. Its core business is analyzing proxies and issuing informed research and objective vote recommendations for more than 10,000 U.S. and 12,000 non-U.S. shareholder meetings each year.

In its February 24, 2003 report on Tyco, ISS said its support for the shareholder repatriation proposal – in conjunction with Tyco's annual meeting March 6 in Bermuda – “is a reflection of our disappointment in the board’s failure to properly assess this very important issue on shareholders’ behalf. By recommending that shareholders support the reincorporation, ISS is placing Tyco's newly constructed board on notice to conduct a thorough evaluation of reincorporation to Delaware.”

Angelides, during the past two years, has been instrumental in leading California's efforts in advancing corporate reform – using the power of California's market presence to restore the faith and confidence of investors. The Treasurer's Office has banned investments in, and business dealings with, expatriate companies that relocate – in name only – to tax havens such as Bermuda and the Cayman Islands to avoid taxes and weaken shareholder rights.

At the Treasurer's urging, the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) – on whose boards the Treasurer sits – have taken an active role in co-sponsoring and supporting shareholder resolutions aimed at getting companies like Tyco to reincorporate in the U.S. In 1997, Tyco – under the leadership of then-Chairman and CEO Dennis Kozlowski – joined the list of expatriate companies when it relocated its headquarters from Delaware to Bermuda in conjunction with its acquisition of ADT Ltd.